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TAGS: KN KS PGOV PREL PINR
SUBJECT: DOLLSTEDS SAV LEE M

SUBJECT: POLLSTERS SAY LEE MYUNG-BAK WILL WIN BIG DESPITE

LAST-MINUTE ATTACKS

Classified By: POL Joseph Y. Yun. Reasons 1.4 (b,d).

11. (C) Summary: Two days before the Korean presidential election and five days since the prohibition on political polling went into place, two representatives from leading polling firms told POL M/C and POL INT that Lee Myung-bak would convincingly win the December 19 presidential election but might emerge as a weak president due to various scandals that still surround him. Mr. Hong Hyung-suk, Director of Hangill Research polling firm, said that this year's election was a struggle between conservatives and ultra-conservatives, with liberal candidate Chung Dong-young out of the race from the beginning. Ms. Hahn Gwi-young, of KSOI, a leading polling firm, said that the election this year was about the economy and that many people, ready for a change, would vote for Lee Myung-bak despite his alleged role in various financial scandals. End Summary

## Lee Myung-bak In Control

- 12. (C) The two polling experts said they believed that Grand National Party (GNP) candidate Lee Myung-bak would receive between 45 and 50 percent of the vote. Hong said it was still possible for Lee to break 50 percent while the latest polls showed Lee currently holding steady with about 45 percent support. While no polls have been completed since new video footage was released December 16 in which Lee Myung-bak said he founded BBK -- a claim he has denied multiple times -- both Hahn and Hong said Lee's support, rather than decreasing, had solidified in recent days and may have even increased as a result of this last-minute attack.
- ¶3. (C) In 1992, a similar "surprise" attack emerged days before the election as Kim Young-sam's inflammatory remarks such as "the private sector should stir up regionalism" and "all Gyeongsang people should drown themselves if another candidate wins," were made public three days before the election by Hyundai founder and candidate Chung Joo-young. Rather than an outcry against Kim, it resulted in increased support for the successful candidate and outcry against the illegal wiretapping conducted by Chung. According to the pollsters, Lee Hoi-chang was in fact the candidate that would most suffer from this latest attack on Lee Myung-bak since solidified conservative support for Lee Myung-bak means less support for Lee Hoi-chang. Lee threw his hat in the ring in

large part because of suspicions that Lee Myung-bak would be indicted for his role in the BBK scandal.

The Rest of the Field

14. (C) United New Democratic Party (UNDP) candidate Chung Dong-young may have benefited two to three percentage points from the latest attack on Lee Myung-bak and in a best case scenario, could obtain up to 25 percent of the vote on December 19. Hahn and Hong said Lee Hoi-chang could not beat out UNDP candidate Chung and would come in third with about 15 percent. Moon Kuk-hyun would likely obtain between 8 and 10 percent of the vote.

Lee Hoi-chang

15. (C) If it weren't for Lee Hoi-chang, Hong said the election would have been a bust for his and other polling companies. Thanks to Lee Hoi-chang's unexpected November entry into the race, the election regained some air of uncertainty. While some believed initially that Lee Hoi-chang could win, all now believed Lee would now have to settle for third place.

Chungcheong Province - No Longer Key Vote

16. (C) Lee Hoi-chang, after leading Lee Myung-bak in his home region of Chungcheong Province for the month of November, has now fallen behind in polls and Lee Myung-bak

should carry the central region, although it was still touch-and-go, Hong said. In previous presidential elections, Chungcheong voters cast the deciding vote. In 1997 and 2002, large victories for Kim Dae-jung and Roh Moo-hyun in the region delivered them the presidency. This year, since Lee Myung-bak has such a wide lead in the capital region, home to 47 percent of the electorate, Chungcheong voters, even if Chungcheong supported Lee Hoi-chang, this region would not be able to influence the outcome of the election.

Moon Kuk-hyun

¶7. (C) Hahn said that Moon Kuk-hyun's support had recently increased since he decided last week, after a series of failed flirtations, not to join forces with UNDP candidate Chung Dong-young. His support had dipped to about five percent when Moon, two weeks ago, proposed a merger with Chung, but he now stood a chance to receive up to 10 percent of the vote. If he receives 10 percent of the vote, he will be reimbursed 50 percent of monies he spent on the campaign, reported to be about USD 7 million. Hong said that, while Moon might receive 10 percent, he did not have concentrated support in any region so he would have a difficult time winning many seats in the April National Assembly elections, should Moon decide to field his own candidates.

Education and Real Estate

18. (C) Since the GNP had claimed for 10 years that the education and real estate policies of the Roh and Kim Dae-jung administrations were faulty, Lee was on the hook to propose radical changes to the current policies. While changes were needed, education was a difficult problem and would not likely be improved with any short-term fixes. Also, if Lee's education or real estate policies backfired, it could lead to unpopularity and even instability in the economy.

## Korea-U.S. Relations

19. (C) Mr. Hong said that relations between our the U.S. and Korea would improve under a Lee Myung-bak presidency. While Lee might be populist in nature and very observant of polls and trends, he would not end the Iraq deployment or go against the KORUS FTA if public sentiment were to turn against such initiatives. Rather, Lee might instead push through such plans despite opposition because he believed that the ROK-U.S. relationship was very important. If Lee only developed policy to match public sentiment, he never would have accomplished so much as Seoul Mayor. Both the transportation reorganization and the Cheonggye Stream project were hugely unpopular when they were first proposed but Lee pushed both these projects and now is widely acclaimed for such successes.

Quick Thinking Lee

110. (C) Hong, who has closely observed elections since he quit his teaching job at prestigious Daewon High School in 1987, said several times that Lee Myung-bak was a "nun-chi ba-ren" person, or that Lee was quick to understand any given situation. This was perhaps Lee's greatest trait and could save his presidency, though Hong said he expected Lee would overall be a weak president. While Lee might encounter resistance in the National Assembly and may make mistakes once he takes office, his quick thinking could allow him to adapt and overcome the obstacles that are sure to emerge.

Canal Project and the Economy

111. (C) The cross-country canal project that has been the trademark of Lee's economic platform was likely to happen,

Hong said. The proposal has come under repeated attack for being a throwback to the 1970s when grand, national construction projects were the rage and Lee Myung-bak, then working for Hyundai construction, was in charge of such projects. However, Hong said that Lee understood that emphasizing retraining, investment, and education could grow the economy long term, but to make people feel the economy was in better shape quickly, people had to go to work. The canal project was a project that could create hundreds of thousands of jobs. Hahn said that she expected the canal project to start in the second half of Lee's five year term since the project could provide a quick boost to the economy.

Comment

- 112. (C) Both Hahn and Hong are sharp observers of political and social trends and have an army of statistics to back up their suppositions. Their claim that Lee Myung-bak's support remains solid is credible and likely right on the mark. While Lee's election seems certain, there remain many questions as to what a Lee presidency will bring.
- 113. (C) With the UNDP controlling the National Assembly until June 1, the brawl witnessed December 14 over the attempted impeachment of prosecutors who cleared Lee Myung-bak of suspicion in the BBK case could be a harbinger of things to come. Bills that Lee supports, like the Zaytun extension, could get caught up as the UNDP, in its last days in power, struggles to slow "Bulldozer" Lee down. Most Koreans are tired of such tactics, so ultimately, Lee should be able to put many of his policies into place, but, as Hong told us, there will likely "be no honeymoon" for Lee Myung-bak. VERSHBOW